26 September 1974

MEMORANDUM FOR: Mr. John D. Iams

Comptroller

SUBJECT

Comments on Draft Annual Report of the

Central Intelligence Agency for

Fiscal Year 1974

I have looked over Jim Taylor's draft with some care and have a few comments to offer for your consideration. These were held until I could ascertain whether Mr. Colby also planned to make a separate submission in his DCI or "community head" capacity as well as a submission made in his capacity as administrative head of If no DCI submission was to be made, there were some points not included in Jim's draft which I felt ought to be incorporated. Since he is making a separate submission as DCI, however, the Taylor draft does cover the points that ought to be taken up in the CIA submission. It has many merits, not the least being that it is written in English. There are, nonetheless, a few places where you might want to consider some revision:

(a) At the risk of seeming parochial, I would suggest that under Objective 1 (on pages 1-2) you open with some passing mention of the institution of the NIO mechanism as a concrete step specifically designed to "improve the quality, scope, and timeliness of the Community's product." You might note that the NIO structure is an adjunct to the DCI functioning in his Community capacity and hence will not be treated in detail in the Agency's submission, but seven of the ____NIOs in the first selection do • have an Agency background as do six of the assistant NIOs. If you take this tack, I would bring up under Objective 1 what is now the last sentence in the fourth paragraph on page 5 (keeping

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the thought but perhaps modifying the language). Logically, the data on the number of CIA analyst hours expended in direct support of the NIOs really belongs here, not under Objective 4.

In the top paragraph of page 2, you need to tinker with the sentence on the National Intelligence Daily since it is out of focus as it presently stands. The Daily was created to serve the members of the NSC and then -- by extension -- their immediate senior subordinates. Its initial circulation was held down to the range of about twenty The subscription list has been people. broadened somewhat since then (more than doubled, in fact) but only as a result of urgent requests levied on the DCI, who has given ground by almost grudging increments. Thus, saying that it is a newspaper which "serves 40 to 50 officers of the NSC, its subcommittees, and their senior staffs" has the story almost backwards, even though the numbers are accurate.

(c) I have a factual query which -- depending on its answer -- could have substantive importance. It relates to your discussion \Box beginning on page 3 and recurring at various points throughout the remainder of the Jim's language strongly suggests to a cold reader \square Agency project, If this is indeed i.e., a unilateral effort. accurate, no problem. If, however, a Community project which, even if it is under overall CIA sponsorship or management, nonetheless has significant input from other Community components; then Jim's language could give offense by being construed (or misconstrued) as self-serving in the credit-grabbing sense.

(d) Subparagraph 3 under Objective 2 on page 3 made this reader shake his head. In 'one sentence the text is talking about SIGINT capabilities, in the next we are back on

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photographic resolution -- and this reader wondered just how we got there until he reread the paragraph twice. I would make the lead sentence convey more clearly that "existing systems" encompasses both SIGINT and photographic systems; then the two examples would track.

(e) Under Objective 3 on page 4, be careful about your discussion of the watch function. You have described the theory, not the fact. Unfortunately -- despite

efforts -- the Watch
Office, to be blunt, still sees itself as an adjunct of OCI, not of the DCI's Office.
Lip service is paid to the latter concept, but when the bells start ringing and its members have to operate on instinctive reflex, the former comes to the fore. (The Watch Office's log, for example, still notes when Dick Lehman and Ed Proctor leave their offices.)

- (f) On page 7 in the third paragraph, you have to skate on thin ice, but you skate out a little further than necessary. I would suggest using "ensure" instead of "forecast." The latter verb carries the unnecessary implication, at least to me, that such failures doubtless will occur. Maybe they will, but there is no need for us to be defeatist on this score.
- (g) On the top of page 10 (first line) you probably ought to make it a little clearer that it was CIA's SIGINT collection (i.e.,

 that were concentrated in the DDO. A thin-skinned reader could wonder if the language as it now stands were not claiming credit for what NSA actually does.
- (h) Also on page 10, in the first paragraph of section C, do you really want to say that the Agency's Management Committee "grew in effectiveness and has now become a permanent

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fixture." I will have another drink with you on that proposition any day. We do not need to regard this report as a confessional vehicle but (to scramble metaphors) lily-gilding is probably not wise either.

(i) On page 12 in the second paragraph of section E (last line), I would scrub "very." Comparative adverbs can get you in trouble, especially when they are not necessary. Our do seem secure ("at least for the moment," as you properly note) but I would not go so far to describe them as being "very" secure.

2. The above suggestions are all free and may be worth that they cost. In any event, I hope they are of some help. Again, I commend Jim on being one of the few bureaucrats capable of treating any subject in English, let alone one heavily oriented toward fiscal matters.

George A Carver, Jr.
Deputy for National Intelligence Officers

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